

SECRET

DM-

30 March 1961

DEPUTIES' MEETING

PRESENT: Mr. Dulles, General Cabell, Mr. Amory, Colonel White,
Mr. Kirkpatrick, Mr. Helms, Mr. Barnes, Mr. Sheldon,
Mr. Kent, [REDACTED]

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MR. DULLES:

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b. Reported that Sam Papich had advised him yesterday that Mr. Hoover is somewhat concerned about the use in CIA publications of sensitive intelligence furnished by the Bureau. Mr. Amory commented it was a fact that some of this information had been quoted verbatim in reports published by ONE and SRS and steps have been taken to insure that this does not happen again. The Director said that apparently the Bureau was "not too upset" and should it be desirable to make use of similar information in the future, it should be so disguised as to prevent any indication of source.

c. Noted a memorandum from DD/S regarding funding for the increased activities in Laos and asked what should be done about this situation. Colonel White stated that in his opinion the Director should get in touch with the Secretary of Defense and the sooner the better -- since CAT will soon be out of funds unless reimbursement is immediately received and further, we have no way of paying obligations now being made by the FE Division. After some discussion the Director asked Colonel White for a memorandum covering the CAT out-of-pocket expenses which he can discuss with Mr. Gilpatric at 5412 Meeting today.

d. Referred to a paper prepared by OCR regarding the transfer of the State Biographic Intelligence Division to CIA and made it clear that no action can be taken until such time as a written request is received from the Department. He also commented that this activity should be considered along with the proposal to transfer State's NIS program to CIA and remarked that he still has some doubts about the political section of the NIS in all cases. It was noted that if it is decided to accept these units from State, great care must be taken to insure that undesirable State employees are not unloaded on CIA. It was therefore agreed that it is the

general view to accept these programs particularly since, as the Director pointed out, CIA is now providing State with about [] to conduct NIS studies, a goodly portion of this amount being funneled off into other State activities. NOTE: The Director asked [] to remind him to call Roger Jones about this whole problem.

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GENERAL CABELL:

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MR. AMORY:

more or less of the opinion that ~~we~~ should be a bit more moderate. In connection with Berlin, Mr. Amory said that they hoped to get to a paper prepared by Hildebrand in State next week and that eventually Dean Acheson will head a group to study this problem and CIA will be asked to furnish a representative. It was agreed that Dave Murphy would be the best one to do this provided he returns from [] in time.

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b. Reported he had heard that Bill Baker is most enthusiastic about the reorganization of the Defense Intelligence Agencies - in fact had gone so far as to recommend that NPIC also be taken over by the proposed MIA.

COLONEL WHITE:

Reported that we are running into an insurance problem in connection with the [] for a certain operation and the amount involved would run as high as [] ~~less~~ any indemnification for the crews concerned. He recommended that the Bureau of the Budget and Congressmen Kilday and Cannon be advised of our contingent liability should it become necessary to seek additional funds. The Director asked General Cabell to look into this matter.

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